



Town of Dumfries
Council Meeting

Meeting Date:

May 7, 2013

Agenda Item#

XIII - C

AGENDA ITEM FORM

TYPE OF AGENDA ITEM:

- ☐ CONSENT AGENDA
☐ PRESENTATION
☐ ACTION ITEM
☐ TOWN MANAGER & STAFF COMMENTS
☐ PUBLIC HEARING
☐ Duly Advertised

PURPOSE OF ITEM:

- ☐ INFORMATION ONLY
☐ DISCUSSION ONLY
☐ DISCUSSION AND/OR DECISION
☐ Introduction ☐ Resolution
☐ Ordinance ☐ Grant/MOU
☐ By Motion ☐ Bylaws
☐ Certificate

PRESENTER: Dan Taber

PRESENTER TITLE: Town Manager

AGENDA ITEM:

Resolution for Member Contributions by Salary Reduction for Counties, Cities, Towns, and Other Political Subdivisions

BACKGROUND / SUMMARY:

Council will be approving the FY14 budget that includes funding for pensions that meet the requirements of the 2012 Acts of Assembly (SB497).

ATTACHMENTS:

Resolution

REQUESTED ACTION: ☐ NO ACTION REQUESTED

Adopt the resolution

FOR MORE INFORMATION, CONTACT:

Name: Dan Taber

Phone#: 703-221-3400

E-mail: dtaber@dumfriesva.gov

FOR USE DURING MEETING

VOTE:

☐ PASSED

☐ NOT PASSED

Y N

☐ ☐ Brewer
☐ ☐ Reynolds
☐ ☐ Wood

Y N

☐ ☐ Foreman
☐ ☐ Toney

Y N

☐ ☐ Forrester
☐ ☐ Washington

AT A REGULAR MEETING OF THE DUMFRIES TOWN COUNCIL HELD ON TUESDAY, MAY 7, 2013, IN COUNCIL CHAMBERS, 17755 MAIN STREET, DUMFRIES, VIRGINIA: ON A MOTION DULY MADE BY _____, AND SECONDED BY _____, THE FOLLOWING RESOLUTION WAS ADOPTED BY THE FOLLOWING VOTE:

Charles C. Brewer, _____;
Gerald M. Foreman, II, _____;
Kristin W. Forrester, _____;
Helen D. Reynolds, _____;
Willie J. Toney, _____;
Gwen P. Washington, _____;
Derrick R. Wood, _____;

Member Contributions by Salary Reduction for Counties, Cities,
Towns, and Other Political Subdivisions

(In accordance with Chapter 822 of the 2012 Acts of Assembly (SB497))

Resolution

WHEREAS, the Town of Dumfries, 55301 employees who are Virginia Retirement System members who commence or recommence employment on or after July 1, 2012, shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(h) on a pre-tax basis upon commencing or recommencing employment; and

WHEREAS, the Town of Dumfries employees who are Virginia Retirement System members and in service on June 30, 2012, shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(h) on a pre-tax basis no later than July 1, 2016; and

WHEREAS, such employees in service on June 30, 2012, shall contribute a minimum of an additional one percent of their creditable compensation beginning on each July 1 of 2012, 2013, 2014, 2015, and 2016, or until the employees' contributions equal five percent of creditable compensation; and

WHEREAS, the Town of Dumfries may elect to require such employees in service on June 30, 2012, to contribute more than an additional one percent each year, in whole percentages, until the employees' contributions equal five percent of creditable compensation; and

WHEREAS, the second enactment clause of Chapter 822 of the 2012 Acts of Assembly (SB497) requires an increase in total creditable compensation, effective July 1, 2013, to each such employee in service on June 30, 2013, to offset the cost of the member contributions, such increase in total creditable compensation to be equal to the percentage increase of the member contribution paid by such pursuant to this resolution.

BE IT THEREFORE RESOLVED, that the Town of Dumfries, 55301 does hereby certify to the Virginia Retirement System Board of Trustees that it shall effect the implementation of the member contribution requirements of Chapter 822 of the 2012 Acts of Assembly (SB497) according to the following schedule for the fiscal year beginning July 1, 2013:

	PLAN 1 Percent	PLAN 2 Percent
Employer Paid Member Contribution	3 %	0 %
Employee Paid Member Contribution	2 %	5 %
Total	5 %	5 %

(Note: Each row must add up to 5 percent.); and

BE IT FURTHER RESOLVED, that such contributions, although designated as member contributions, are to be made by the Town of Dumfries in lieu of member contributions; and

BE IT FURTHER RESOLVED, that pick up member contributions shall be paid from the same source of funds as used in paying the wages to affected employees; and

BE IT FURTHER RESOLVED, that member contributions made by the Town of Dumfries under the pick up arrangement shall be treated for all purposes other than income taxation, including but not limited to VRS benefits, in the same manner and to the same extent as member contributions made prior to the pick up arrangement; and

BE IT FURTHER RESOLVED, that nothing herein shall be construed so as to permit or extend an option to VRS members to receive the pick up contributions made by the Town of Dumfries directly instead of having them paid to VRS; and

BE IT FURTHER RESOLVED, that notwithstanding any contractual or other provisions, the wages of each member of VRS who is an employee of the Town of Dumfries shall be reduced by the amount of member contributions picked up by the Town of Dumfries on behalf of such employee pursuant to the foregoing resolutions.

BE IT FURTHER RESOLVED, that in accordance with the Appropriation Act, no salary increases that were provided solely to offset the cost of required member contributions to the VRS under § 51.1-144 of the Code of Virginia will be used to certify that the salary increases required by the Appropriations Act have been provided.

NOW, THEREFORE, the officers of the Town of Dumfries are hereby authorized and directed in the name of the Town of Dumfries to carry out the provisions of this resolution, and said officers of the Town of Dumfries are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by the Town of Dumfries for this purpose.

By Order of Council:

Gerald M. Foreman, Mayor

Attest: _____
Dawn Hobgood, Town Clerk